

**Thursday, May 10, 2018**  
**Board of Education Audit Committee Meeting**  
**Jr. Sr. High School Conference Room 112**  
**5:30 PM**

Present: Cheryl DiStefano, CPA Vieira & Associates, CPA's, P.C.

Also HCS BOE Audit Committee Members:

Stephanie Quick

John Dattoria

Melissa Anderson

The meeting began at 5:33.

Ms. DiStefano described the audit plan and process for summer 2018. All field work should be complete by October 15. They are on schedule to meet deadlines. BOE members were reminded this audit does not affect the budget or taxes. She expressed this year's focus is on compliance with federal funding for the handicapped. Financial statements have expanded with more schedules and foot notes, thus it is a lengthy process. The GASB (Governmental Accounting Standard Board) 75 was briefly explained. It is an accounting standard relating to accounting and financial reporting for postemployment benefits other than pensions. This category will be one to note this year as it is going to give most districts abysmal numbers due to a change in state law. Ms. DiStefano wanted to be sure the committee was clear on that prior to the report coming out in the Fall. This new actuarial study will be done every two years and replaces the study done every three years. Formerly the numbers involved used 1/30 of our post-employment benefit figure and this year it will be the ENTIRE figure. She reiterates, this will be a significant change, and will not give an optimistic picture but reminds the committee it will look that way across the state, also that it does not affect budget or taxes.

Ms. DiStefano asked if there were any concerns about fraudulent activity and shared that she needed to give a Roslyn, Long Island School District embezzling case as an example. Amidst the fraud question, Mrs. Quick mentioned concerns about seeing a fundraising box in a desk drawer in relation to Spring Fling. To be clear, Mrs. Quick was not insinuating fraud, more that she reminded staff any fundraising initiatives need to be closely monitored and reported. Setting caps on transfers was briefly discussed amongst Mrs. Anderson, Mrs. Quick and Mr. Dattoria as well. The committee members appeared to be discussing to clarify what the cap actually is. They did not seem to be eluding to fraud, just more so having dialogue to be sure they are clear on the point where they are included in the approval of transfers.

Mrs. Quick asked about the audit's relationship to UPK and Ms. DiStefano clarified that she is auditing federal programs, but not state programs.

The three committee members in attendance were reminded by Ms. DiStefano that extra-curricular accounts and salary budgets are overseen by the BOE and not the auditor. More so, she is auditing to be sure HCS is in compliance with requirements for federal funding. All three BOE members agreed that - in general - the financial piece - or at least their understanding of it - seems much improved more recently.

The meeting ended at 6:04 pm. Ms. DiStefano will be in touch late summer or early fall to reconvene.

Respectfully submitted,

Tabaita Rhodes, District Clerk